Ideas and Information for Human Resources Professionals

The HR Elements℠
bulletin is brought to you by

Garner Insurance Services

In This Edition

Wellness

Employers Aim to Stick with Wellness Despite Hurdles

New compliance hurdles and possible changes from health care reform aren't chasing employers away from wellness programs, although many companies are exploring new ways to get workers involved.

A survey by Fidelity Investments and the National Business Group on Health (NBGH) found that 91 percent of polled companies expect to keep their wellness program regardless of any changes that might come out of Washington.

Workers also are eager to participate in the programs, according to a separate survey by the Principal Financial Group. The employee poll found that 47 percent of employees say they either participate in a workplace wellness program or would like to join one.

Despite all this enthusiasm, wellness programs face some real challenges. The most recent wrinkle involves the Genetic Information Nondiscrimination Act of 2009 (GINA), which prohibits employers from collecting data on family health history if the plan offers incentives to participate.

Some employers say the law is smothering their wellness efforts because it keeps them from offering incentives to complete health surveys, according to a report in *The Wall Street Journal*. Still, many employers say they want to keep their programs and find ways around the regulations.

For instance, Sparks Nugget Inc. in Nevada plans to offer two health risk assessment forms at this year's company health fair: one with family-history questions and one without. Nurses will give the first form to the employees to take to their next doctor's visit. The second goes to the company's benefits department.

"I'm not going to get rid of the incentive," said Larry Harvey, the company's executive vice president of human resources.

Harvey is not alone in his support of wellness incentives. The Fidelity/NBGH report found that 57 percent of wellness programs include incentives that have a cash value to encourage participation.

Still, GINA is making it harder for employers to run their plans, and some are looking for ways to get employees involved without costly incentives.

Advocate Health Care, a faith-based integrated health care system, recently created a video that demonstrated the value of wellness and how employees could access the benefits. The company saw a whopping 127 percent increase in participation when they used the video with their other recruitment tools.

While many companies are willing to spend time and money starting a program, many employers don't bother measuring the outcomes of their programs. The Fidelity/NBGH poll found 27 percent of companies don't evaluate their programs' progress, and 65 percent have no measurable goals.

"Wellness programs are now a standard workplace benefit as employers recognize the need to invest in initiatives that help employees to better manage their health, given that health care costs continue to soar," said Sunit Patel of Fidelity. "However, when it comes to measurement, wellness programs are in their infancy. Most employers need help establishing clear program goals and measuring the impact these programs have on the overall well-being and productivity of their employees."

Compliance

Government Issues Rules on Mental Parity and More

U.S. federal agencies have been busy recently issuing final rules and notices for several employee benefits laws, and observers expect more legislation to come soon in the form of yet another extension of the COBRA subsidy.

In early February, three federal agencies released interim final regulations on the Mental Health Parity and Addiction Equity Act of 2008 (also known as the Wellstone Act), which strengthens the Mental Health Parity Act of 1996.

The Wellstone Act states that coverage of mental health disorders and substance use disorders must be consistent with coverage for other illnesses. The regulations aim to clarify the definition of "medical/surgical benefits" and "mental health benefits. The rules also add a definition for "substance use benefits," according to the law firm Spencer Fane Britt & Browne LLP.

Employers with more than 50 employees, including those with self-insured plans, must comply with these new regulations, the law firm said. The regulations generally take effect for plan years beginning on or after July 1, 2010.

Other recent federal compliance developments include:

CHIP
The U.S. Department of Labor (DOL) has published a model notice for employers to educate their employees about programs designed to help qualified workers receive help in paying their health premiums.

The DOL's notice applies to employers in 40 states that use funds from Medicaid or the Children's Health Insurance Program (CHIP) to assist workers in paying for health care.

View the model notice at: http://www.dol.gov/ebsa/pdf/chipmodelnotice.pdf.

SAFE HARBOR RULES
The DOL also issued final regulations that create a seven-business-day "safe harbor period" for employers to deposit contributions and loan repayments to small retirement plans with 100 or fewer enrollees. The change does not apply to plans with more than 100 participants.

The DOL issued the rule to help small employers comply with the ERISA requirement for "timely deposit" of participant contributions, according to Deloitte. The regulations took effect on Jan. 14, 2010.

AROUND THE CORNER: COBRA
Experts say an extension of the federal COBRA premium subsidy is likely to occur, and legislators and the Obama administration already are working on the details. A draft jobs bill in the Senate would have added another three months onto the subsidy, allowing workers who are involuntarily terminated in March, April and May of 2010 to be eligible for the 65 percent subsidy. However, Senate Majority Leader Harry Reid (D-Nev.) struck that provision from the proposed bill. An aide to Reid told The Hill that the COBRA subsidy extension would be handled in a separate bill.

Work/Life Issues

Companies Can Suffer When Work Week Never Ends

The 1980s rock band Loverboy croons that "Everybody's Working for the Weekend," with the promise of some well-deserved rest at the end of the week.

In today's workplace, however, most employees are working on the weekend -- and that's not always good for business, recent studies suggest.

A recent survey by the University of Maryland and University of Toronto found that nearly half of U.S. workers take work home, and many employees say their work is interfering with their family life.

Not surprisingly, highly educated professionals report their work hampers their personal lives more than other workers, the research found.

Deborah Cohen, an executive with the Society for Human Resource Management, said in an interview with Human Resource Executive Online that employers must be proactive with company policies and make sure workers don't get stretched too thin. HR professionals also should educate management about the dangers of allowing the workforce to burn itself out.

The weekends are vital to maintaining a productive and healthy workforce, according to a separate study by the University of Rochester in New York, which found that employers might be able to improve their work-life balance efforts by helping their workers unwind during the weekend. The study found that workers' feelings of well-being spiked during weekends. More free time on the weekends can translate into better wellness in the overall workforce, researchers said.

"Far from frivolous, the relatively unfettered time on weekends provides critical opportunities for bonding with others, exploring interests and relaxing -- basic psychological needs that people should be careful not to crowd out with overwork," said Richard Ryan, a professor of psychology at the University of Rochester.

In Brief

IRS AUDITS COULD BEGIN SOON
The accounting firm Eisner LLP said it expects the IRS to begin its surge of employment-tax audits as early as February. The IRS will focus on worker classification, fringe benefits, officer's compensation, backup withholding and Form 1099 reporting, the accounting firm said.

RESEARCH: HEALTH CARE COSTS TO JUMP
Costs for most types of employer-sponsored health care plans will increase by double digits in 2010, according to an analysis by Buck Consultants. The study projects increases of 11.1 percent for PPOs, 10.3 percent for HMOs and 10.3 percent for consumer-driven health plans.

DOL POSTS FORM 5500 DATASETS
The U.S. Department of Labor (DOL) has posted online datasets of Form 5500 annual report/returns for about 800,000 health, retirement and other benefit plans. The datasets are the raw data from all of the filings for 1999 through 2008, including the data in the various schedules. The filings "have been useful in understanding the plan universe for policy, enforcement, research, outreach and education for both the public and private sectors," according to a report by PLANSPONSOR. View the datasets here: http://www.dol.gov/ebsa/foia/foia-5500.html.

PRESIDENT TO PUSH FOR 'AUTOMATIC' IRA
President Barack Obama has proposed a new type of employer-sponsored retirement plan designed for companies that currently do not sponsor retirement plans for their workers. Under the plan, employees would be automatically enrolled in a direct-deposit "workplace IRA" unless they opted out. The Saver's Tax Credit would match contributions for eligible families.

EMPLOYERS GIVE PBM VENDORS HIGH MARKS
Employers gave their pharmacy benefit management (PBM) vendors a weighted average rating of 7.6 out of 10, according to The Pharmacy Benefit Management Institute. The Institute found that 77.9 of those polled who described their PBM as "completely transparent" or "somewhat transparent" rate their PBMs higher than those who said their PBMs were "not transparent."

Garner
Insurance Services

630 North Rosemead Blvd. • Suite 300 • Pasadena • California • 91107
(626) 351-2300 • (626) 371-0447 Fax
www.garnerbenefits.com